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Burnet R. Maybank, III
Member
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February 21, 2007

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Posted: led
Dept: SA
Date: 2/22/07
Time: 10:00

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Petition of The Office of Regulatory Staff for a Rulemaking
Proceeding to Examine the Requirements and Standards to be Used
by the Commission When Evaluating Applications for Eligible
Telecommunications Carrier (ETC) Status and When Making Annual
Certification of ETC Compliance to the Federal Communications
Commission

Dear Mr. Terreni:

Charleston

Charlotte

Columbia

Greensboro

Greenville

Hilton Head

Myrtle Beach

Enclosed for filing are the original and one (1) copy of Alltel
Communications, Inc.'s Supplemental Comments on Proposed ETC Guidelines in the
above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of these
comments as indicated on the attached Certificate of Service.

Yours very truly,

Burnie

Burnet R. Maybank, III

BRM/caa
Enclosures

cc: All Parties of Record

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SC PUBLIC SERVICE
COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2006-37-C

SUPPLEMENTAL COMMENTS BY
ALLTEL COMMUNICATIONS, INC.

On February 7, 2007, The Commission instructed the Staff to publish proposed ETC guidelines on the Commission's Docket Management System and invited interested parties to provide written comments on the proposed ETC guidelines. Alltel appreciates the Commission's interest in resolving this very important issue for South Carolina consumers and provides these comments in response to the Commission's request.

In its initial comments in this proceeding, Alltel demonstrated that there are many benefits the Commission can and should make available to consumers by designating qualified competitive ETCs in South Carolina. Alltel explained in detail that these benefits include expanded mobility of communications, larger local calling areas, broader consumer choice of providers and services, the availability of wireless Life-line services, enhanced rural economic development, significant health and safety benefits, and service and pricing in rural areas that are comparable to those available in urban areas.

Alltel also demonstrated that customers of competitive providers in South Carolina are paying their fair share into the federal universal service fund, but are not receiving their fair share of benefits in return. Alltel provided a chart that showed the amount of federal universal service funds flowing to competitive carriers that provide the above benefits to consumers in each state. The chart showed that only ten states,

including South Carolina did not have a designated competitive ETC eligible to bring these benefits to consumers. An updated chart, based on USAC fourth quarter 2006 projections, is provided below and shows there are now only seven states, including South Carolina, whose consumers are not receiving these benefits

Annual Federal USF High Cost Support for Competitive ETCs

Mississippi	\$125,877,644
Puerto Rico	\$88,669,800
Alaska	\$54,941,592
Kansas	\$53,561,976
Washington	\$53,006,688
Wisconsin	\$49,408,848
Louisiana	\$42,858,768
Iowa	\$42,301,908
Minnesota	\$39,377,160
North Dakota	\$38,685,264
South Dakota	\$28,939,628
Nebraska	\$28,176,432
Arkansas	\$27,257,208
Kentucky	\$23,280,688
Hawaii	\$18,515,040
Wyoming	\$17,362,476
Alabama	\$16,353,704
New Mexico	\$15,700,320
Arizona	\$15,601,104
Oklahoma	\$15,430,680
Michigan	\$15,198,636
Texas	\$14,099,928
Virginia	\$13,188,048
Oregon	\$11,713,692
West Virginia	\$9,911,564
Montana	\$9,370,492
Georgia	\$8,929,800

Colorado	\$8,622,240
Florida	\$8,212,356
Guam	\$7,416,144
North Carolina	\$6,785,064
Nevada	\$6,433,800
Vermont	\$6,079,728
Maine	\$5,740,256
New York	\$3,273,012
Indiana	\$3,240,636
Tennessee	\$1,466,784
Pennsylvania	\$1,380,828
California	\$952,068
Utah	\$253,452
Micronesia	\$234,168
New Hampshire	\$209,988
Missouri	\$126,096
Maryland	\$2,964
Idaho	\$0
Illinois	\$0
Connecticut	(1)
Delaware	(1)
Massachusetts	(1)
New Jersey	(1)
Ohio	(1)
Rhode Island	(1)
South Carolina	(1)
Totals	\$938,148,672

Notes: (1) No CETCs have been designated in these states
(2) All data derived from Q4 06 USAC HCF projections

This can be remedied by the Commission when it designates competitive providers as ETCs, thereby permitting the flow of Federal USF support to them for use in improving their networks and services in high cost areas.

Alltel also demonstrated that the designation and certification rules adopted by the FCC in its Universal Service Order are the appropriate rules for adoption by the Commission, with one modification. The FCC developed these rules following extensive study of input provided by the Federal State Joint Board on Universal Service, consumers, service providers, and regulators. The FCC encouraged states that exercise jurisdiction over ETC designations to adopt these same requirements, noting that application of a common set of requirements by the FCC and the states will provide a more predictable designation process and improve the sustainability of the universal service fund.

In its initial comments, Alltel proposed and explained why the Commission should adopt one modification to the FCC rules. That modification is to require ETCs to annually provide a two-year service improvement plan, rather than the five-year plan adopted by the FCC. The five-year plan requirement is presently subject to a request for reconsideration at the FCC and simply does not match up with the budget and planning processes of ETCs in today's rapidly changing world of telecommunications technology.

In the proposed rules issued by the Commission, the Commission has followed the recommendations offered by ALLTEL and others by generally mirroring the FCC requirements and modifying the five-year service improvement plan requirement to a two-year plan. These rules, when adopted will provide the framework needed to bring the much-needed benefits discussed above to consumers in rural areas of South Carolina.

Alltel supports the adoption of the proposed rules and commends the Commission for its work on the development of these rules.

Alltel does recommend one change in the proposed guidelines. Section D.(a)(8) would require that all ETCs include in their annual certification filing that the carrier “acknowledges that the Commission may require it to provide customers with equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.”

Alltel recognizes that, as an ETC, it may be required to provide equal access in the event that no other ETC is providing equal access in their service area. Alltel’s only concern with the proposed language is that the word “Commission” in this context refers to the Public Service Commission of South Carolina. Federal law, however, reserves to the FCC the authority to require a wireless carrier to provide equal access¹. Therefore, in order to comply with federal law, the proposed language for this rule should be modified to read: “Certification that the ETC acknowledges that it may be required by the FCC to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.”

This change will resolve the jurisdictional conflict while still maintaining the recognition that a wireless ETC may be required to provide equal access if, at some point in the future, it becomes the sole ETC serving a certain service area.²

¹ see 47 U.S.C. § 332 (c)(8)

² An additional alternative would be to delete the reference altogether. Because the language only contemplates an acknowledgment of existing federal law and FCC regulations, and the Commission has no delegated authority under those specific regulations, the language has no operative value. Its deletion would be of no consequence.

At its February 7, 2006 meeting, the Commission approved a motion in this proceeding that included consideration of the issuance of an interim order addressing ETC guidelines at its February 28, 2007 meeting. Alltel requests that the Commission adopt these guidelines, including the one modification recommended above, as the interim guidelines to be followed immediately until such time as the permanent rules can be made effective. This will enable the Commission to bring the benefits associated with the designation of competitive ETCs to South Carolina consumers without additional delay. South Carolina consumers have been contributing to the federal universal service fund for a long time and deserve to enjoy the same benefits that consumers in other states have been receiving and continue to receive. Alltel looks forward to working with the Commission to bring these benefits to consumers in South Carolina.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2006-37-C

IN RE:

Petition of The Office of Regulatory Staff for a Rulemaking Proceeding to Examine the Requirements and Standards to be Used by the Commission When Evaluating Applications for Eligible Telecommunications Carrier (ETC) Status and When Making Annual Certification of ETC Compliance to the Federal Communications Commission,

Certificate of Service

This is to certify that I have caused to be served this day, one (1) copy of Alltel's Comments on Proposed Guidelines in Docket No. 2006-37-C by placing a copy of same in the care and custody of the United States Postal Services with proper first-class postage affixed hereto and addressed as follows this February 21, 2007:

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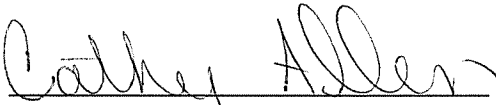
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